

tax, but then we don't do anything about it. And the budget itself isn't law. The budget is merely a goal, a blueprint of where we want to go for the year. If you don't follow it up with a bill, you haven't done anything. But Members here pat themselves on the back and go back home and tell their constituents that they voted to cut the estate tax. Oh, that is wonderful, people say. But it is never followed up with an actual bill.

So the chairman of the Finance Committee said: Well, he would have the goal of marking up a bill this spring. He has since advised me he has no plans whatsoever for a real bill on estate tax, and said: It won't happen.

It is going to be in the budget. His amendment will provide for an estate tax reform in the budget, but he has advised that he has no plans to allow that to happen, to make it, in reality, a bill that would pass and become law. So all of this is an exercise in show, with apparently no real intent to follow through and provide relief for America's families and small businesses and farms and the like.

What I would like to do, Mr. President, with my amendment, is not only demonstrate in the budget that this is the level that we want to set it, at a \$5 million exempted amount per spouse and no higher than a 35-percent rate, but also ensure that the rules of the budget enable us to consider the bill during the year and not have it subject to some point of order that would enable people on the other side to say: Gee, we wish we could do it, but we just can't do it under the budget rules.

My amendment will make it possible to consider such an amendment, and I serve notice on my colleagues that I intend to try to bring it up. We are not going to sweep this under the rug year after year. If we are honest with the American people about putting it in the budget, we ought to be honest about bringing it to the floor for a vote so that we can actually pass a bill, send it to the President, and get this job done.

It is interesting that compared to other countries the United States is one of the worst in terms of the amount of money it takes from estates. The rate in the Democratic version would be 45 percent. The average around the world is 13 percent. There are a lot of countries that don't have an estate tax, and they understand why.

The irony is, I had to leave a hearing of the Finance Committee just now, Mr. President, where an individual was testifying about countries such as Canada, Australia, New Zealand, and places such as that, where people have decided it is not a good idea to have an estate tax, and it has been repealed in many of these countries. The United States should take a leaf out the book of some of these countries that have found it is inimical to their development and their ability to compete with other countries.

We know it is not good in terms of savings. The irony is that a lot of my colleagues are concerned about reducing the fact that our savings rate in this country is too low and are concerned about the fact that as a result we have to end up borrowing from countries such as China, for example. Yet having a big estate tax is exactly what is allowing that to happen because it discourages savings. If you save the money, you are just going to get taxed on it when you die, so why not just spend it?

Incidentally, the Treasury Department estimates the estate tax reduces the amount of money that we contribute to charity. Treasury estimates that the estate tax reduces bequests by about 14 percent. Individuals are either choosing to save less or rely heavily on estate planning which, of course, is a deadweight loss to the economy unless you are in the insurance business, in which case you think it is a real nifty idea because people have to buy insurance against the estate tax obligation that they otherwise would have.

Finally, it is an irony that the amount of money the Treasury collects—something over 1 percent of our revenue comes from the estate tax—is actually an equivalent amount of money to what is spent by people to try to avoid paying the estate tax. So, in effect, the money is paid twice. People buy insurance, they hire accountants and lawyers, and they try to find ways to get around the payment of the estate tax, and the amount of money that costs each year is almost exactly the same as what we pay in the estate tax to the Federal Government. This was according to a study by Henry Aaron and Alicia Munnell who are economists who have made this point over and over.

The other interesting aspect of the cost of the estate tax is the amount of money it costs to try to plan around it. If you are a closely held business, the estate planning is estimated to range anywhere from \$5,000 to \$1 million. Again, if you are a lawyer or estate planner or you are selling insurance, that is probably a great thing. But it is not great for the people who have to pay the money, and it is not the best use of the money for the economy. The IRS estimates it takes 38 hours to complete the form, which is form 706. You may have an obligation, you may not, but you still have to fill out the form. The tax preparation fees can range from \$5,000 to \$50,000, and 52 percent of the estates that filed a return were required to incur a sizable legal and accounting expense and other expenses even though they owed no tax. Bear in mind, over half of the people who have to file the forms end up with no obligation.

What we should do is have a tax that is predictable and clear with a large enough amount exempted so you know whether you are going to have to file the form. Hopefully, you would realize you don't have to file it because we

have adopted the reforms I am talking about. We would go from something over 130,000 filers down to something over 11,000 filers. You would be catching the people with the big estates, those people who can really afford to pay the estate tax, but you would not be requiring everybody else to have to engage in this expensive planning and have the potential of having to pay part of the tax.

Again, the summary numbers to remember are, under the amendment that will be filed—or has been filed, I gather—it would freeze the rates where they will be at the end of 2011, at 45 percent. That is only 10 percent less than the top rate of 55 percent under the previous law. And it will provide an exempted amount of \$3.5 million. Far more estates will be caught in the estate tax trap with the amount at that level than they will be if both spouses subject to the tax have \$5 million exempted as part of the unified gift and estate tax credit.

I hope as with last year when 56 of our colleagues, both Democrats and Republicans, supported instructing conferees to include in the budget the precise proposal on estate tax reform that I have identified, we will get that kind of support out of this budget as well.

The last thing I want to say is, I think it would be better for the debate and discussion if we had followed past practices and actually offered amendments and had debate on those amendments and then voted on those amendments. Instead, what is happening this year is the majority is not allowing any votes on any amendments until tomorrow, when we get into what we affectionately refer to around here as the vote-athon, when every 10 or 12 minutes we have a vote after 1 minute of discussion of the amendment, 1 or 2 minutes. I think it is 30 seconds per side, 1 minute equally divided. Great debate. Great debate.

We have time to talk about these things now, but what you can't do is offer an amendment, have a vote on it, and know whether you have won or lost so you can determine what you want to do next. If you win, then you don't have to do two or three other amendments. If you lose, you may have to do those amendments. But we are not going to do that because the majority decided it would like to put pressure on the Members of this body to offer fewer amendments because they will have to all be voted on on Thursday and, of course, everybody knows the Easter recess begins as soon as we finish our business. So there is great pressure to offer fewer amendments, to hurry up and get out of town, rather than, in my view, spending the time necessary to do the people's business.

One of the first things we ought to be willing to do is do what is necessary to both debate and vote on an estate tax reform that would be meaningful for literally hundreds of thousands of American citizens.